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SERVICE DATE – MAY 18, 2018

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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36194]

Progressive Rail Incorporated—Continuance in Control Exemption—Chicago Junction Railway Company, LLC

Progressive Rail Incorporated (PGR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Chicago Junction Railway Company, LLC (CJR), upon CJR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in Chicago Junction Railway—Change in Operators Exemption Including Interchange Commitment—Chicago Terminal Railroad, Docket No. FD 36193. In that proceeding, CJR seeks an exemption under 49 C.F.R. § 1150.31 to assume operations over approximately 25 miles of rail line owned by Union Pacific Railroad Company in the Centex Industrial Park and 11,500 feet of track in the adjacent Elk Grove Yard in Elk Grove Village, Ill.

The earliest this transaction may be consummated is June 1, 2018, the effective date of the exemption (30 days after the verified notice was filed). PGR states that it intends to consummate the transaction on June 1, 2018.

According to PGR, it owns or operates rail lines in Minnesota, Wisconsin, and Illinois. PGR states that it also controls five Class III railroads that operate in Minnesota, Missouri, Iowa, and North Carolina: Airlake Terminal Railway Company, LLC; Central

Midland Railway Company; Iowa Traction Railway Company; Iowa Southern Railway Company; and Piedmont & Northern Railroad LLC. PGR further states it already owns and controls CJR, currently a noncarrier. PGR proposes to continue in control of CJR and its existing rail carrier subsidiaries once CJR acquires the authority to lease the rail line in Elk Grove Village and becomes a Class III carrier.

PGR represents that: (1) the rail line to be operated by CJR does not connect with any other railroads in the PGR corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect this line with any other railroad in the PGR corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III carriers.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than May 25, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36194, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Audrey L. Brodrick, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

According to the Parties, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

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Decided: May 15, 2018.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.